

Cross-Cultural Differences and Their Impact on Organizational Culture in International Companies Operating in Malaysia: A Delphi Study

Shavonne Ng¹, Walton Wider², Khine Zar Zar Thet³, Annie Wang⁴, Nasyra Ab. Jamil⁵, Shuwen Hao⁶

Abstract

This research investigates the impact of cross-cultural differences on organizational culture in international companies operating in Malaysia, where diverse cultural backgrounds create unique challenges and opportunities for integration. This study identifies the factors influencing cross-cultural differences and ranks these factors according to their significance within the organizational culture. A two-round Delphi method was employed to collect insights from a panel of 30 experts from international companies in Malaysia. Purposive sampling ensured diverse managerial and non-managerial perspectives. In the first round, an open-ended questionnaire identified key dimensions of cross-cultural impact, and in the second round, experts ranked these dimensions. The data was analyzed to establish consensus and verified through Kendall's coefficient of Concordance. The study identified seven critical cross-cultural dimensions impacting organizational culture: communication style, leadership and management style, work-life balance, cultural customs and traditions, employee relationships and interactions, cultural adaptation and training, and technology and communication. Communication style and leadership approach were ranked as the most influential factors, highlighting the importance of effective communication and adaptable leadership in diverse cultural settings. This study offers a structured approach to addressing cross-cultural differences in international organizations, with specific focus on Malaysia's multicultural business environment. The study provides actionable insights for managers to improve integration and align organizational practices with cultural sensitivities by ranking these factors. This research contributes to the limited literature on cross-cultural management in Malaysia and offers a framework that can be adapted for diverse, multicultural settings.

Keywords: *Cross-cultural differences; organizational culture, international companies; Malaysia; Delphi method; developing countries.*

Introduction

In today's interconnected business landscape, international businesses have become increasingly essential as companies seek to expand globally to remain competitive and seize new opportunities. However, this expansion is not without its challenges, particularly in navigating cultural differences. Cross-cultural sensitivity is crucial for successful business negotiations, as neglecting these differences can lead to misunderstandings and conflicts that ultimately harm productivity and profitability (Richter et al., 2022).

With its rich cultural diversity, Malaysia presents unique considerations for international businesses (Abd Aziz et al., 2021). The presence of employees from various cultural backgrounds can result in language barriers, differing customs, beliefs, communication styles, values, and traditions. While such diversity is beneficial, it can also lead to misinterpretations and conflicts in multicultural settings, negatively impacting workplace culture. Additionally, the Malaysian private sector faces challenges in attracting and retaining talent due to rapid technological advancements, which can create disparities in technological skills among different ethnic groups (Marouani & Nilsson, 2019).

Expanding a business in Malaysia involves navigating a complex process that includes several procedures, starting with name availability checks through the Companies Commission of Malaysia (CCM) (Yi et al.,

¹ Faculty of Business and Communications, INTI International University, Nilai, Malaysia, Department of Applied Economic Sciences, Wekerle Sandor Uzleti Foiskola, Budapest, Hungary

² Faculty of Business and Communications, INTI International University, Nilai, Malaysia; walton.wider@newinti.edu.my (Corresponding Author)

³ Faculty of Business and Communications, INTI International University, Nilai, Malaysia.

⁴ Faculty of Business and Communications, INTI International University, Nilai, Malaysia.

⁵ Faculty of Business and Communications, INTI International University, Nilai, Malaysia

⁶ Faculty of Liberal Arts, Shinawatra University, Pathum Thani, Thailand.

2018). Following registration, businesses must open bank accounts and register for various taxes (Nutman et al., 2022). Companies also encounter taxation challenges, including corporate income rates and specific taxes on vehicles and real estate (Hamzah et al., 2022; Jaffar et al., 2021). Furthermore, obtaining necessary licenses and permits is essential for legal operation (Gano-an & Chea, 2021). Cultural and religious considerations, such as adhering to halal standards, are especially significant in the food industry, where compliance with local norms is mandatory (Shahwahid et al., 2018).

Malaysia's strategic location, modern infrastructure, and robust economy make it an attractive destination for international investors. Surveys indicate that Malaysia is a primary focus for companies seeking to expand in ASEAN, driven by rising consumer prosperity and a network of free trade agreements (Feng & Squires, 2021; Jusoh & Abd Razak, 2022). This research aims to explore how cross-cultural integration influences the management of international organizations. By leveraging diversity, businesses can address market challenges more effectively, achieve sustainable development, and gain a competitive edge.

The study targets industry experts with over two years of experience in international companies, covering both managerial and non-managerial roles. A questionnaire will be distributed to Kuala Lumpur and Selangor professionals, including Human Resource Managers and Talent Recruitment Managers. This approach aims to provide a comprehensive understanding of the impact of cross-cultural differences within organizations, facilitating an in-depth analysis of the results collected within a week. This research will give insights into how organizations can navigate cultural complexities to foster a cohesive and inclusive workplace environment (Huang, 2023).

This study investigates the factors influencing cross-cultural differences among international companies operating in Malaysia and identifies the positive and negative impacts of these differences on organizational culture, utilizing the Delphi Method. Given the limited research on the relative impact of these differences, the specific objectives of this study are as follows:

1. To identify the factors influencing cross-cultural differences among international companies operating in Malaysia.
2. To rank the identified factors influencing cross-cultural differences in the organizational culture of international companies operating in Malaysia.

Theoretical Underpinning

The success of international businesses in Malaysia is influenced by various cross-cultural factors that either promote or inhibit effective integration and collaboration. A significant challenge many organizations face is the difficulty of adapting to and learning from the host country's cultural nuances. For instance, religious differences can profoundly impact business practices. In South Korea, pork is commonly featured in restaurants; however, in Malaysia, a majority-Muslim country, businesses must ensure that pork is excluded from menus unless the establishment is explicitly designated as non-halal (Ghazali, 2020). Another example is found in cultural norms related to personal interactions: while a hug might be a standard greeting in more liberal societies, it can be perceived as inappropriate or as overstepping boundaries in conservative contexts. Such cultural disparities can affect organizational culture either negatively, by creating misunderstandings, or positively, by fostering a workforce with a broader perspective and cultural awareness.

Two critical aspects influencing the success of international companies in Malaysia are cultural understanding and managerial experience. These elements are closely linked, as a manager's ability to adapt to diverse cultural backgrounds is positively correlated with the organization's overall performance. Managers who actively engage with and understand different cultural perspectives contribute to a healthier, more inclusive work environment. This inclusive culture not only benefits current employees but also supports the development of future managers, as they learn to cultivate a positive organizational culture – a key factor for corporate success today (Alhamad et al., 2015).

The Trompenaars Model of Organizational Culture offers a comprehensive framework for understanding national and organizational cultural dynamics. Building on Hofstede's foundational model, Trompenaars' framework introduces seven dimensions of national culture, each focused on individual preferences and behavioral patterns. These dimensions include: (1) Universalism vs. Particularism, highlighting the balance between rules and relationships; (2) Individualism vs. Communitarianism, emphasizing the value of individual versus group orientation; (3) Specific vs. Diffuse, which relates to the separation between private and professional lives; (4) Neutral vs. Emotional, examining emotional expression in interactions; (5) Achievement vs. Ascription, addressing perceptions of status; (6) Sequential vs. Synchronous time, reflecting time management approaches; and (7) Internal vs. Outer direction, concerning individuals' connection with their environment (Trompenaars, 2020).

To apply these dimensions practically, Trompenaars identifies four main organizational culture types: Incubator, Eiffel Tower, Family, and Guided Missile. Incubator Culture prioritizes individuals, fostering creativity and collaborative work. Eiffel Tower Culture is task-oriented and hierarchical, with a strong regulatory structure. Family Culture resembles a familial unit, where authority rests with "parental" figures, promoting close-knit relationships. Guided Missile Culture is task-driven, where everyone shares equal status and a strong commitment to achieving goals. International companies operating in Malaysia can better navigate cultural differences and support an adaptable and inclusive organizational environment by understanding these organizational culture types.

Literature Review

Understanding the factors that influence cross-cultural differences is essential for international companies operating in Malaysia, as it directly impacts their organizational culture, employee satisfaction, and overall performance. A well-informed management team, equipped to handle the nuances of transnational business, can strategically shape the organization's culture to foster an inclusive and adaptable environment. This adaptability is crucial not only for retaining current talent but also for attracting new employees who are better suited to navigate cross-cultural complexities and contribute to the company's growth.

The primary focus of this paper is to identify and analyze the factors influencing cross-cultural differences within international companies in Malaysia. Additionally, this study ranks these factors according to their impact on organizational culture, providing valuable insights into the most significant cross-cultural considerations. The literature review presents a comprehensive analysis of these factors, exploring the ways in which they can positively shape organizational culture and contribute to the successful operation of international businesses in Malaysia. By aligning organizational practices with the local cultural context, companies can enhance employee engagement, performance, and satisfaction (Gannon & Pillai, 2021). A culturally sensitive environment is conducive to employee productivity and overall organizational effectiveness, supporting sustainable growth.

This study provides a synthesis of relevant literature on the complexities of cross-cultural dynamics, focusing on how these factors influence organizational culture in multicultural settings. Recommendations derived from this analysis offer actionable insights for international companies seeking to operate successfully in Malaysia. By understanding and adapting to local cultural norms and practices, these companies can cultivate a more cohesive and supportive work environment that promotes productivity and organizational resilience (Harris & Moran, 2021). This cultural adaptability ultimately contributes to the company's competitive advantage in both the Malaysian and global markets.

International Business

International business involves the exchange of goods, services, technology, knowledge, and capital across national boundaries, and requires companies to adapt their operations to the cultural, social, and regulatory environment of each country in which they operate. Cross-border transactions are increasingly common, with economic resources like capital and labor exchanged for the production of goods and services across sectors such as banking, construction, and finance. International business, synonymous with globalization, has become a staple in the corporate world, with cross-cultural awareness and adaptability now essential

(Collinson et al., 2020).

The COVID-19 pandemic accelerated the expansion of international business through digital platforms. With limitations on in-person interactions, many companies rapidly expanded to international markets online, pushing the boundaries of global value chains that stretch across multiple countries (Basiony, 2024). As noted by Harvard Business School Professor Forest Reinhardt, this era offers unprecedented opportunities for businesses to operate across borders, making cross-cultural understanding a crucial element of success (Eriksen, 2020).

Cross-Cultural Differences

Cross-cultural differences refer to the distinctions in values, norms, and practices between individuals from diverse cultural backgrounds. In the context of international business, these differences can present challenges and opportunities for growth and innovation. Understanding and addressing these differences is crucial for international companies in Malaysia, as they often impact organizational culture, employee interactions, and decision-making processes. For example, religious considerations play a significant role. At the same time, U.S. companies may operate with extensive religious freedoms, and expanding to Malaysia requires adherence to local Islamic guidelines, necessitating changes to business practices and policies.

Common challenges include language barriers, non-verbal communication differences, negotiation styles, and variations in cultural etiquette. These factors influence daily operations and long-term strategic decisions, as cultural diversity can affect problem-solving approaches, conflict resolution, and overall workplace harmony. This research highlights strategies to overcome cross-cultural challenges, aiming to enhance the intercultural competence of international companies, support sustainable success in global markets, and foster stronger partnerships (Oluwaseyi, 2024).

Organizational Culture

Organizational culture encompasses the shared values, beliefs, and behaviors that define an organization's unique identity and influence its operations. A well-defined organizational culture shapes employees' behaviors, encourages alignment with organizational goals, and establishes a framework for acceptable conduct within the company (Deal & Kennedy, 1982). Chatman and Eunyong (2003) describe organizational culture as a system of shared values guiding appropriate and inappropriate behavior, while Gordon (1979) defines it as the "management climate" that influences members' perceptions and behaviors. The success of international companies depends on their ability to align organizational culture with the cultural norms of the host country, fostering an environment that respects local customs and contributes to organizational success.

This study analyzes the cultural dimensions that influence organizational culture and provides a roadmap for international companies to operate successfully in Malaysia. By understanding these factors, companies can foster a more inclusive, culturally aware workplace, directly contributing to the achievement of organizational goals and ensuring sustained success in both local and global markets.

Methods

Research Design

This research employed the two-round Delphi method as the research design to explore the impact of cross-cultural differences on the organizational culture of international companies operating in Malaysia. The Delphi method involved multiple rounds of data collection and analysis using established techniques, iteratively seeking consensus among experts, making it a suitable research approach (Ng et al., 2024). By collecting opinions from a panel of experienced professionals from international companies operating in Malaysia, this study aimed to assess and rank the dimensions of organizational culture influenced by cross-cultural factors. The Delphi technique was appropriate for examining subjects characterized by divergent,

ambiguous, or contentious perspectives and served as a feasible substitute when direct empirical evidence was not accessible, as was the situation in this study.

Sample

Many have suggested that there is no established consensus on the ideal sample size for using the Delphi method, with a consensus being that there need not exceed 30 being considered sufficient (Naisola-Ruiter, 2022). One thing to ensure is the participants chosen are well-versed in the field/industry through purposive sampling (Subramaniam et al., 2024). To ensure that a well-rounded consensus has been achieved, the questionnaire will be sent to 30 experts who were selected as they are informed individuals of both managerial and non-managerial positions in their respective fields. These positions include managers, assistant managers, trainers, team leaders, human resource managers, executives, and trainees. This ensures we get an honest view of these differences' impact on the company.

Data Collection and Data Analysis

In the initial round of the Delphi method, experts were sent a questionnaire via email/Google form that included an open-ended question requiring their expertise, along with a deadline for submitting their responses. They were also asked to provide additional information and factors beyond those listed in the form. To reduce the number of dropouts, reminders were sent prior to the deadline; if there was no response, it was assumed that the expert was unavailable to participate. An in-depth analysis of these responses helped identify repetitions or similarities, leading to a consolidated list of dimensions used in the subsequent survey (Loo et al., 2024).

The second round focused on refining these dimensions. Experts reviewed the initial findings, providing feedback to validate and prioritize the cooperation dimensions (Tang et al., 2024). They received a ranking table based on the first-round results and used a structured questionnaire with specific instructions for ranking the importance of each dimension, ensuring unique rankings. This process was designed to provide a rigorous comparison and unbiased evaluation of the dimensions, culminating in average and group rankings that reflected the collective perspective of the experts (Krishnan et al., 2024). Finally, the consensus among the experts was quantitatively assessed using Kendall's Coefficient of Concordance (W), which measures agreement in rankings and indicates a consensus if the value is significant, showing uniformity in how the dimensions were valued (Tee et al., 2022). The research process is presumed to be completed within a month, including both Delphi method rounds, ensuring that the data collection is adequate, and the analysis is reliable.

Ethics

The Scientific and Ethical Review Committee of the INTI International University reviewed and approved this study (Reference No: INTI/UEC/2024/025). Informed consent was obtained via written documentation from all experts.

Results

First Round of Delphi Method

In the first round of the Delphi method on August 10th, 2024, an open-ended questionnaire was distributed to 30 experts selected through purposive sampling, an effective qualitative research method (Jaam et al., 2022). The panel consisted of employees from both managerial and non-managerial positions who had one week to provide feedback on cross-cultural factors impacting organizational culture. Experts were encouraged to share additional insights, and a reminder was sent two days before the deadline. Of 30 experts, 22 responded, while 8 did not; no further emails were sent to the non-respondents to adhere to research etiquette. Table 1 below provides detailed information on all the experts who participated in Round 1 of the Delphi study.

Table 1. Experts' profile (N = 22)

No.	Age	Experience (Years)	Position	Company Background
E1	31	7	Manager	International 501 non-profit organization that is a member of the Forum of Bible Agencies International & Wycliffe Global Alliance.
E2	29	9	Media Strategist	
E3	23	2	Writer	
E4	27	2	Website Designer	
E5	23	1	Content Strategist	
E6	23	5	Administrator	International corporate consultancy firm assisting Clients with comprehensive IP advice, and creating custom blueprints for businesses to start strong.
E7	33	10	Intellectual Property Advisor	
E8	33	10	Co-Founder	
E9	31	9	Co-Founder	
E10	33	10	Intellectual Property Advisor	
E11	27	3	Associate	One of the largest legal firms in Malaysia with a global reputation
E12	27	2.5	Associate	World's leading clinical research organization
E13	34	10	Acquisition Partner	An American multinational consumer goods and personal care corporation
E14	30	7	Associate	International law firm
E15	27	5	Associate	International law firm based in Malaysia
E16	27	6	Senior Human Resources Specialist & Talent Acquisition Partner	A global sustainability leader
E17	49	28	Process Lead	Largest commercial mover and logistics services provider in New England
E18	39	18	Senior Executive	Automotive industry company
E19	34	14	Operations Team Lead	Malaysia's leading telco company
E20	32	9	Customer Executive	Support Affiliate marketing network
E21	37	5	Founder	Media & advertising company
E22	27	5	Founder	Wellness brand in Southeast Asia

These experts had between 1 and 28 years of experience in international companies, and their insights were compiled for thematic analysis (Parker et al., 2021). This process identified 19 themes, which were grouped into 7 dimensions: communication style, leadership and management style, work-life balance, cultural customs and traditions, employee relationships and interactions, cultural adaptation and training, and technology and communication. The dimensions and themes identified are listed in Table 2 below.

Table 2. Consolidation of Round One Delphi Findings

No.	Dimension	Themes
1	Communication Style	● Language Barriers

			<ul style="list-style-type: none"> ● Direct vs. Indirect Communication ● Cultural Adaptation in Communication
2	Leadership and Management Style		<ul style="list-style-type: none"> ● Hierarchical vs. Egalitarian Approaches ● Democratic vs. Authoritative Leadership ● Cultural Sensitivity in Management
3	Work-Life Balance		<ul style="list-style-type: none"> ● Cultural Expectations of Work Hours ● Adaptation to Local Practices
4	Cultural Customs and Traditions		<ul style="list-style-type: none"> ● Impact on Work Schedules ● Respect for Traditions ● Superstitions and Beliefs
5	Employee Relationships and Interaction		<ul style="list-style-type: none"> ● Building Relationships ● Team Dynamics ● Conflict Resolution
6	Cultural Adaptation and Training		<ul style="list-style-type: none"> ● Need for Cultural Training ● Importance of Bilingualism/Multilingualism ● Adapting to New Environments
7	Technology and Communication		<ul style="list-style-type: none"> ● Virtual Communication Challenges ● Use of Technology in Managing Cultural Differences

A second-round Delphi questionnaire was prepared for the initial participants based on the identified dimensions. The main goal of this second round is to establish a consensus on the dimensions related to cross-cultural differences and their impact on the organizational culture of international companies. The feedback from both rounds will contribute significantly to understanding how cross-cultural factors influence organizational culture in international businesses operating in Malaysia, guiding future strategies for effective cultural integration.

Second Round of Delphi Method

On September 13, 2024, the second round of the Delphi method was conducted to investigate further the cross-cultural impact on organizational culture in international companies. After analyzing the insights from round 1, experts were invited to rank 7 key dimensions identified from those insights. They used a scale of 1 (most important) to 7 (least important) to rank each dimension, ensuring each number was assigned to a single dimension to maintain statistical integrity. This ranking process fosters consensus among experts regarding the significance of each dimension and lays the groundwork for future research. Reminders were sent to experts prior to the deadline, resulting in 22 participants from round 1 also participating in round 2, meeting the required sample size and ensuring reliability in the findings (refer to Table 3).

Table 3. Second Round of Delphi Method Finding

Expert	Communication Style	Leadership and Management Style	Work-Life Balance	Cultural Customs and Traditions	Employee Relationships and Interactions	Cultural Adaptation and Training	Technology and Communication
E1	1	3	2	4	7	5	6
E2	1	5	2	3	6	4	7
E3	1	3	2	6	4	5	7
E4	3	2	1	4	5	7	6
E5	6	2	1	3	4	5	7
E6	3	2	1	5	4	6	7
E7	3	1	2	4	5	6	7
E8	1	3	2	4	6	5	7
E9	1	2	3	5	4	6	7
E10	1	2	5	3	4	7	6
E11	3	2	1	5	4	7	6
E12	1	3	2	5	4	6	7
E13	1	3	2	5	4	6	7
E14	2	3	1	6	4	5	7
E15	2	1	3	6	5	4	7
E16	1	2	3	7	4	5	6
E17	2	1	6	7	3	4	5
E18	1	2	4	6	3	7	5
E19	1	2	3	5	6	4	7
E20	2	1	3	4	6	5	7
E21	3	1	2	4	5	6	7
E22	3	2	1	6	4	5	7
Mean	1.95	2.18	2.36	4.90	4.59	5.45	6.59
Group Rank	1	2	3	5	4	6	7

In round 2 of the Delphi method study, the 22 experts ranked the dimensions, with communication style receiving the lowest mean score of 1.95, followed by leadership and management style (2.18), work-life balance (2.36), employee relationships and interactions (4.59), cultural customs and traditions (4.90), cultural adaptation and training (5.45), and technology and communication (6.59). The rankings were validated using the Kendall W Coefficient test, yielding a value of 0.718 and a p-value of 0.001, indicating strong consensus among experts (Ahudey et al., 2020). Consequently, a third round was deemed unnecessary, confirming that communication style, leadership and management style, work-life balance, cultural customs and traditions, employee relationships and interactions, cultural adaptation and training, and technology and communication are key cross-cultural differences impacting the organizational culture of international companies in Malaysia.

Discussion

Communication Style

In the first round of the Delphi method, communication style included three key themes relevant to international businesses in Malaysia: language barriers, direct vs. indirect communication, and cultural adaptation in communication. Round 2 of the Delphi study shows that communication style is the most significant cross-cultural difference affecting international companies in Malaysia.

Experts highlighted that language barriers are common due to diverse employee backgrounds, leading to misunderstandings. While English is a common language, local languages like Bahasa Malaysia, Mandarin/Cantonese, and Tamil are prevalent, complicating communication for those who don't speak all three (Ng & Burke, 2022). These language differences can hinder interactions, particularly with non-English-speaking clients or colleagues. The second theme, direct vs. indirect communication, revealed that

Malaysian culture favors indirect communication to maintain harmony, whereas Western cultures are more explicit (Chen & Zhang, 2023). Constructive feedback is common in Western contexts, but Malaysians may avoid offending others, fearing it could lead to employee turnover. Additionally, communication styles differ generationally; older employees prefer formal communication, while younger generations opt for casual and direct styles. The final theme, cultural adaptation in communication, highlights the need for expatriates and international employees to adjust to local communication styles, including accents and slang. Although many Malaysians communicate in English, local influences can alter its usage. International employees may require time to adapt to Malaysian English slang, which demands patience that may be in short supply. Clear communication and respect for cultural differences are essential to avoid misunderstandings and offense. For instance, older employees are often addressed by titles (e.g., "Ms." or "Mr."), whereas Westerners typically use first names. Such differences can lead to misunderstandings or offense (Tan & Ho, 2024).

Leadership and Management Style

In the first round of the Delphi method, leadership and management style covered three themes relevant to international businesses in Malaysia: hierarchical vs. egalitarian approaches, democratic vs. authoritative leadership, and cultural sensitivity in management. Round 2 of the Delphi study indicates that leadership and management style are the second most important cross-cultural differences impacting the organizational culture of international companies in Malaysia.

The first theme, hierarchical leadership, emphasizes decision-making concentrated at top management levels, where employees are expected to respect authority (Wang & Lee, 2022). This structure reflects Malaysian cultural values rooted in Islam, which stress respect for elders and authority, leading employees to avoid questioning higher-ups. In contrast, egalitarian leadership, common in Western cultures, promotes a less hierarchical structure where higher-level employees are approachable and encourage collaboration. This environment fosters creativity and inclusivity, allowing employees to voice opinions and participate in decision-making. The second theme highlights the difference between democratic and authoritative leadership styles. Democratic leaders encourage collaboration and input from team members, fostering a sense of ownership and empowerment (Miller & Wisse, 2021). In Malaysia, many leaders adopt a democratic style that reflects the diverse cultural background, though seniority still guides decisions. Authoritative leadership involves quick decision-making with openness to feedback, which is common in Western contexts. It balances innovation with strong leadership.

Cultural sensitivity in management refers to understanding different cultural norms and values employees bring to the workplace (Crawford & Ruppel, 2022). In Malaysia's diverse workforce, leaders must be aware of varying religious practices and communication styles to maintain a conducive work environment. Culturally sensitive leaders navigate challenges and build trust within their teams. In contrast, Western leaders often emphasize individualism, requiring a balance between cultural awareness and fostering independence (Szkudlarek et al., 2020). Leadership styles should be flexible to align with organizational vision and goals.

Work-Life Balance

In the first round of the Delphi method, work-life balance covered two themes relevant to international businesses in Malaysia: cultural expectations of work hours and adaptation to local practices. Round 2 of the Delphi study reveals that work-life balance is the third most important cross-cultural difference affecting the organizational culture of international companies in Malaysia.

In Asian cultures, particularly Malaysia and Japan, long working hours reflect commitment and dedication (Sato & Kawashima, 2023). This stems from cultural values like collectivism and respect, leading employees to work beyond their capacity out of a sense of duty to their employer. As a result, work-life balance is often sacrificed, with employees frequently working late or on weekends, especially near deadlines. The emphasis on hard work and respect for authority creates difficulties in leaving the office before superiors, cultivating a culture of long hours. In contrast, Western cultures emphasize work-life balance, encouraging

employees to separate work from personal life. Employers in Western Europe and the U.S. advocate for breaks, vacations, and flexible working arrangements to promote mental and physical well-being as long as job responsibilities are met (Johnson & Adams, 2021). This belief reflects the individualistic orientation of many Western countries, where personal time and self-care are valued, recognizing that burnout can hinder overall work performance. The second theme is the adaptation to local practices. International employees must adjust to local norms regarding work hours and work-life balance (Wu et al., 2022). These norms may differ significantly from their home countries, requiring a period of adjustment. For instance, Western employees may struggle to adapt to longer hours in Malaysia, feeling pressured to conform to local work culture, which may conflict with their usual practices. Conversely, Malaysian employees may feel compelled to work longer hours, even when this is less critical in Western settings, leading to discomfort about leaving work “early.”

Adaptation necessitates respecting and understanding local culture to balance personal values with organizational expectations. International employees must navigate work environments by being open-minded, flexible, and willing to learn while maintaining their identities. Companies with a global workforce should adopt policies acknowledging cultural differences and providing support during adjustment periods, including cross-cultural training and flexible working arrangements.

Cultural Customs and Traditions

In the first round of the Delphi method, Cultural Customs and Traditions included three themes relevant to international businesses in Malaysia: impact on work schedules, respect for traditions, and superstitions and beliefs. Round 2 of the Delphi study shows that cultural customs and traditions are the fifth most important cross-cultural difference affecting the organizational culture of international companies in Malaysia.

The first theme, the impact on work schedules, highlights how cultural customs and traditions influence international business operations. Companies must accommodate various holidays in multicultural Malaysia to maintain a harmonious work environment. Key celebrations include Hari Raya Aidilfitri, Chinese New Year, and Deepavali, necessitating flexibility in work schedules and potential staffing reductions during these periods. Respecting these holidays demonstrates cultural sensitivity and fosters strong relationships with clients and employees (Lee & Zhang, 2023).

Secondly, companies must respect the diverse traditions of all employees in multicultural settings (Smith & Wong, 2021). Cultural respect involves more than acknowledging holidays; it includes understanding their significance and accommodating employees' dress codes and religious practices. Organizations that demonstrate cultural awareness create a supportive and inclusive work culture. Local beliefs and superstitions can significantly impact workplace dynamics, especially in traditional societies. For example, certain colors, symbols, and numbers in China hold specific meanings that influence business decisions (Cheng & Seeger, 2012). International businesses in China must be sensitive to these beliefs, particularly during product launches, office design, and marketing campaigns.

Additionally, superstitions can affect business contracts, as signing on an "auspicious occasion" is often deemed essential for success. Companies unaware of such beliefs risk offending partners. Conducting thorough research ensures stronger and more positive partnerships with local businesses. Companies can foster a respectful atmosphere that enhances productivity, morale, and cross-cultural collaboration by demonstrating cultural sensitivity and awareness.

Employee Relationships and Interactions

In the first round of the Delphi method, Employee Relationships and Interactions included three themes relevant to international businesses in Malaysia: building relationships, team dynamics, and conflict resolution. Round 2 of the Delphi study reveals that employee relationships and interactions are the fourth most important cross-cultural difference affecting the organizational culture of international companies in Malaysia.

Building strong interpersonal relationships in Malaysia is highly valued and essential for successful business operations. Trust and respectful relationships are vital in a collectivist culture, with informal conversations about family and health fostering rapport among colleagues. This approach helps partners form long-term connections and maintain harmony (Meyer, 2014). In contrast, Western countries prioritize direct, task-oriented communication, often bypassing small talk to focus on efficiency. This difference can lead to misunderstandings; Asians may view Western colleagues as blunt or uninterested, while Westerners may perceive Asian communication as ineffective. Team dynamics thus vary significantly based on cultural backgrounds (Chen & Smith, 2022). In Malaysia, teamwork emphasizes group harmony with collaborative decision-making that values consensus. Employees are cautious about disrupting unity and contribute ideas in a non-confrontational manner. Conversely, Western cultures foster individualism, encouraging team members to express personal opinions and challenge group ideas, which may lead to quicker decision-making. This direct approach can clash with the consensus-driven style of Malaysian team members, influencing project management and collaboration across cultures.

Malaysian culture emphasizes maintaining harmony, avoiding confrontation, and preserving relationships. Consequently, conflicts are often addressed indirectly through “quiet diplomacy” (Patel & Singh, 2022). This can create challenges in multicultural teams, particularly when Asian and Western cultures coexist, as open confrontation in Western contexts facilitates quick conflict resolution but may be seen as disrespectful by Malaysians.

To address these differences, multicultural teams must balance both approaches. Managers and leaders should be mindful of cultural preferences to create an environment where all team members feel comfortable expressing their thoughts and concerns, whether indirectly or directly.

Cultural Adaptation and Training

In the first round of the Delphi method, cultural adaptation and training included three themes relevant to international businesses in Malaysia: the need for cultural training, the importance of bilingualism/multilingualism, and adapting to new environments. Round 2 of the Delphi study reveals that cultural adaptation and training is the second least important cross-cultural difference impacting the organizational culture of international companies in Malaysia.

In a globalized work environment, cultural training is essential for helping individuals understand and adapt to local norms and values (Smith & Williams, 2021). For instance, expatriates in Malaysia must be trained to navigate the hierarchical structure and social customs, such as greetings. Without proper training, employees may struggle with communication and inadvertently offend colleagues by misinterpreting etiquette or non-verbal cues. Cultural training also includes cross-cultural management practices that may require adjustments to leadership styles. The second theme emphasizes the importance of being bilingual or multilingual. In Malaysia's multicultural environment, speaking multiple languages is a significant asset. Effective communication relies on language, enabling employees to connect with clients and colleagues from diverse backgrounds. Multilingualism demonstrates cultural sensitivity and facilitates better collaboration between international offices, providing a competitive advantage in global meetings (Dunn & Schweitzer, 2023). The final theme is adapting to new environments. This adaptation involves learning a new language and adjusting to local working cultures, social norms, and business practices. Understanding local customs is crucial for social interactions and relationship-building. Additionally, workplace behaviors vary by country; for example, punctuality is more flexible in Southeast Asia compared to the strict adherence to timeliness in many Western countries. Adapting to these expectations is vital for employees transitioning to new environments.

Technology and Communication

In the first round of the Delphi method, technology and communication included two themes relevant to international businesses in Malaysia: virtual communication challenges and the use of technology in managing cultural differences. Round 2 of the Delphi study indicates that technology and communication is the least important cross-cultural difference affecting the organizational culture of international companies in Malaysia.

Virtual Communication Challenges highlight the reliance on tools like video conferencing and instant messaging (e.g., Zoom, Slack, Microsoft Teams) that enable employees to communicate and work remotely. However, these tools challenge building closer relationships among globally dispersed teams (Kim & Johnson, 2022). In traditional in-person settings, non-verbal cues such as facial expressions and body language facilitate rapport. Still, in virtual settings, the absence of these cues can lead to misunderstandings and emotional disconnect. Additionally, time zone differences complicate communication, requiring teams to hold meetings at odd hours and hindering timely responses, disrupting productivity and work-life balance. Remote work may also foster a sense of isolation among employees. To address these challenges, international companies should proactively promote collaboration and relationship-building through regular video chats and annual in-person meetings while fostering a culture of open communication. Despite these challenges, technology can effectively manage cultural differences in global workforces. Collaborative tools and communication platforms enable harmonious teamwork regardless of location but require adequate training to overcome cultural barriers (Miller & Valacich, 2022).

Technology bridges cultural differences by offering language learning and translation tools. For instance, AI-powered translation tools and Google Translate assist employees who speak different languages, ensuring everyone understands key instructions, even when delivered in various languages. These tools reduce misunderstandings and streamline communication, keeping everyone aligned despite cultural and language differences (Hasyim et al., 2021).

Conclusion

The Delphi method study offers critical insights into the impact of cross-cultural differences on the organizational culture of international companies in Malaysia, ranking these differences in importance from communication style to technology and communication. Effective communication is essential for building partnerships, while leadership styles must be adaptable to varying cultural expectations. Recognizing the divergent views on work-life balance and fostering positive employee relationships are crucial for a harmonious workplace. Additionally, awareness of cultural customs, traditions, and superstitions is vital for successful international operations, and training in cultural adaptation is necessary for employee integration into new environments.

International companies should prioritize cultural awareness and inclusivity among leaders and employees to enhance organizational success. Investing in tools and training is essential, along with creating open communication channels to address challenges promptly. Feedback systems can facilitate sharing experiences and identify improvement areas, ultimately fostering a positive organizational culture.

However, the study has limitations, including a lack of representation from all industries and the potential for subjective biases in qualitative analysis. Future research should encompass a wider range of companies and geographical regions to provide a comprehensive view of cross-cultural differences. Employing mixed methods and assessing the effectiveness of technological tools in bridging cultural gaps are also recommended. Furthermore, reviewing work-life balance policies will help understand cultural perceptions and their influence on employee satisfaction. Longitudinal studies can track changes over time, offering insights into the evolving dynamics of international organizations in a globalized world.

References

- Abd Aziz, N. A., Ramdan, M. R., Nik Hussin, N. S., Abdul Aziz, Z., Osman, J., & Hasbollah, H. R. (2021). The determinants of global expansion: A study on food and beverage franchisors in Malaysia. *Sustainability*, 13(18), 10328.
- Abramson, N. R., & Moran, R. T. (2017). *Managing cultural differences: Global leadership for the 21st century*. Routledge.
- Ahudey, E., Prince Clement, A., Ernest Kwame, A., & Zhiguang, Q. (2020). Kendall's coefficient of concordance ranking of the effectiveness of single machine learning models in predicting stock price movement. *International Journal of Engineering Research & Technology (IJERT)*, 9(9), 1098-1107.
- Alhamad, A. M., Osman, A., Manaf, A. H. B. A., Abdullah, M. S., & AlShatnawi, H. A. M. (2015). The impact of cross-cultural leadership on management performance in international organizations: A Malaysian perspective. *Asian journal of social sciences & humanities*, 4(3), 110-119.
- Alon, I. (2020). COVID-19 and international business: A viewpoint. *FIIB Business Review*, 9(2), 75-77.
- Basiony, N. (2024b, September 15). Navigating the Data: A Comprehensive Overview of Global Business Statistics. PROFILETREE. <https://profiletree.com/global-business-statistics/>
- Chatman, J. A., & Cha, S. E. (2003). Leading by leveraging culture. *California management review*, 45(4), 20-34.
- Chen, G., & Zhang, Y. (2023). Cultural Differences in Communication: Insights from Malaysian and Western Business Practices. *International Business Review*, 32(1), 134-148.
- Chen, R., & Smith, J. (2022). Consensus and Conflict: Team Dynamics in Multi-Cultural Work Environments. *Journal of Organizational Behavior*, 43(5), 768-787.
- Cheng, M. S., & Seeger, M. W. (2012). Cultural Differences and Communication Issues in International Business Negotiations. *Journal of International Communication*, 18(2), 203-217.
- Collinson, S., Narula, R., Qamar, A., & Rugman, A. M. (2020). *International business*. Pearson UK.
- Crawford, M., & Ruppel, C. (2022). The Role of Cultural Sensitivity in Leadership Effectiveness in Diverse Teams. *Journal of International Business Studies*, 53(3), 461-479.
- Dunn, D., & Schweitzer, J. (2023). Multilingualism as a Strategic Asset: Enhancing Cross-Cultural Communication and Collaboration. *International Business Review*, 32(1), 101-120.
- Eriksen, T. H. (2020). *Globalization: The key concepts*. Routledge.
- Feng, H., Wu, J., & Squires, V. R. (2021). China looks to ASEAN for closer ties, freer trade and more harmonious relations: A commentary. *Archives of Business Research*, 9(12), 91-103.
- Gannon, M. J., & Pillai, R. (2015). *Understanding global cultures: Metaphorical journeys through 34 nations, clusters of nations, continents, and diversity*. Sage Publications.
- Gano-an, J. C., & Chea, C. C. (2021). Ease of doing business in the philippines and Malaysia: Prospects for development and regional growth. *American Journal of Business and Society*, 6(2), 49-56.
- Ghazali, H., & Lim, S.W. (2020). What Hinders Non-Halal Certified Restaurants' Adoption of Halal Certification? A Qualitative Study. *International Journal of Academic Research in Business and Social Sciences*, 10(10), 1137-1158.
- Gordon, G. G. (1979). *Managing Management Climate*. Lexington, MA: Lexington Books.
- Hamzah, M. I., Tanwir, N. S., Wahab, S. N., & Rashid, M. H. A. (2022). Consumer perceptions of hybrid electric vehicle adoption and the green automotive market: the Malaysian evidence. *Environment, Development and Sustainability*, 24(2), 1827-1851.
- Han, D., Kalantari, M., & Rajabifard, A. (2023). Identifying and prioritizing sustainability indicators for China's assessing demolition waste management using modified Delphi-analytic hierarchy process method. *Waste Management & Research*, 41(11), 1649-1660.
- Hasyim, M., Saleh, F., Yusuf, R., & Abbas, A. (2021). Artificial intelligence: Machine translation accuracy in translating French-Indonesian culinary texts. *International Journal of Advanced Computer Science and Applications*, 12(3), 186-191.
- Hofstede, G. (2001). *Culture's consequences: Comparing values, behaviors, institutions and organizations across nations*. Thousand Oaks.
- Huang, H. (2023). Research on the Importance of Cross-cultural Integration in International Business Management. *Modern Economics & Management Forum*, 4(6), 171-173.
- Jaam, M., Awaisu, A., El-Awaisu, A., Stewart, D., & El Hajj, M. S. (2022). Use of the Delphi technique in pharmacy practice research. *Research in Social and Administrative Pharmacy*, 18(1), 2237-2248.
- Jaffar, R., Derashid, C., & Taha, R. (2021). Determinants of tax aggressiveness: Empirical evidence from Malaysia. *The Journal of Asian Finance, Economics and Business*, 8(5), 179-188.
- Johnson, A., & Adams, R. (2021). Comparing Work-Life Balance Practices: Western vs. Asian Approaches. *Journal of International Business Studies*, 52(1), 101-119.
- Jusoh, S., & Abd Razak, M. F. (2022). Special economic zones in ASEAN: the cases of Lao PDR, Malaysia, and Myanmar. In *Handbook of Research on Special Economic Zones as Regional Development Enablers* (pp. 92-108). IGI Global.
- Kerr, J., & Slocum Jr, J. W. (2005). Managing corporate culture through reward systems. *Academy of Management Perspectives*, 19(4), 130-138.
- Kim, S., & Johnson, M. (2022). Navigating Virtual Communication: Insights and Best Practices for International Teams. *Journal of Business Communication*, 59(2), 178-194.
- Krishnan, V. G., Wider, W., Jiang, L., Lajuma, S., Tanucan, J. C. M., & Udang, L. N. (2024). Factors influencing emotional intelligence ability among Malaysian managers: A Delphi study. *Journal of Infrastructure, Policy and Development*, 8(8), 4176.
- Lee, T., & Zhang, Y. (2023). Accommodating Cultural Diversity in the Workplace: Case Studies from Malaysia. *Asia Pacific Business Review*, 29(2), 245-260.
- Loo, S. H., Wider, W., Lajuma, S., Jiang, L., Kenikasahmanworakhun, P., Tanucan, J. C. M., & Ahmad Khadri, M. W. A. (2024). Key factors affecting employee job satisfaction in Malaysian manufacturing firms post COVID-19 pandemic: a Delphi study. *Cogent Business & Management*, 11(1), 2380809.

- Marouani, M. A., & Nilsson, B. (2019). The labor market effects of skill-biased technological change in Malaysia. *Internal Migration, Urbanization and Poverty in Asia: Dynamics and Interrelationships*, 219-264.
- Meyer, E. (2014). *The culture map: Breaking through the invisible boundaries of global business*. Public Affairs.
- Miller, J., & Wisse, B. (2021). Democratic and Authoritative Leadership Styles in Multicultural Organizations: A Cross-National Study. *Journal of Leadership & Organizational Studies*, 28(1), 22-40.
- Miller, K., & Valacich, J. (2022). Managing Remote Teams: The Impact of Virtual Communication on Team Dynamics. *Computer Supported Cooperative Work (CSCW)*, 31(1), 75-95.
- Naisola-Ruiter, V. (2022). The Delphi technique: a tutorial. *Research in Hospitality Management*, 12 (1), 91-97.
- Ng, C., Wider, W., Yang, C., Jiang, L., Vasudevan, A., Bhandari, P., & Lee, H. P. T. (2024). Keys factor affecting employee performance in the banking sector: a Delphi study. *Cogent Business & Management*, 11(1), 2409942.
- Ng, E. S. W., & Burke, R. J. (2022). Managing Multicultural Workforces: The Role of Language and Communication in Malaysian Contexts. *International Journal of Human Resource Management*, 33(10), 2031-2053.
- Nutman, N., Isa, K., & Yussof, S. H. (2022). GST complexities in Malaysia: Views from tax experts. *International Journal of Law and Management*, 64(2), 150-167.
- Oluwaseyi, J. (2024). *Cross-Cultural Communication Challenges in Global Trading* (No. 13427). EasyChair.
- Parker, G., Kastner, M., Born, K., & Berta, W. (2021). Development of an implementation process model: a Delphi study. *BMC Health Services Research*, 21, 1-12.
- Patel, R., & Singh, R. (2022). Managing Conflict in Multicultural Teams: Balancing Direct and Indirect Approaches. *International Business Review*, 31(3), 402-419.
- Richter, N. F., Strandkov, J., Hauff, S., & Taras, V. (2022). *International business strategy and cross-cultural management: an applied approach*. Edward Elgar Publishing.
- Sato, H., & Kawashima, K. (2023). Work Hours and Cultural Norms in Asian Countries: A Comparative Study. *Asia Pacific Journal of Human Resources*, 61(2), 175-194.
- Shahwahid, F. M., Bakar, N. R. A., & Eksan, S. H. R. (2018). Halal Compliance among Food Truck Traders in Klang Valley. *International Journal of Academic Research in Business and Social Sciences*, 8(5).
- Smith, C., & Williams, R. (2021). Effective Cultural Training Programs: Best Practices for Multinational Organizations. *Cross-Cultural Management Journal*, 28(4), 345-363.
- Smith, J., & Wong, S. (2021). Fostering Inclusivity through Cultural Awareness in Multinational Companies. *International Business Review*, 30(5), 745-759.
- Subramaniam, S. H., Wider, W., Tanucan, J. C. M., Yew Lim, K., Jiang, L., & Prompanyo, M. (2024). Key factors influencing long-term retention among Contact Centre employee in Malaysia: a Delphi method study. *Cogent Business & Management*, 11(1), 2370444.
- Szkudlarek, B., Romani, L., Caprar, D. V., & Osland, J. S. (Eds.). (2020). *The Sage handbook of contemporary cross-cultural management*. Sage.
- Tan, K. C., & Ho, S. T. (2024). The Dynamics of Language and Cultural Adaptation in Multinational Companies in Malaysia. *Journal of International Management*, 30(2), 91-105.
- Tang, S., Wider, W., Ng, C. P., Jiang, L., Tanucan, J. C. M., Bien, J. K. C., & Udang, L. N. (2024). Influencing Factors of Work-Life Balance Among Female Managers in Chinese Higher Education Institutions: A Delphi Study. *Open Education Studies*, 6(1), 20220213.
- Tee, M., Rasli, A., Toh, J. S. S. K., Abas, I. H., Zhou, F., & Liew, C. S. (2022). A Delphi method on the positive impact of COVID-19 on higher education institutions: Perceptions of academics from Malaysia. *Frontiers in Psychology*, 13, 1013974.
- Wang, Y., & Lee, Y. (2022). Hierarchical versus Egalitarian Leadership: A Comparative Study of Leadership Styles in Asian and Western Contexts. *Leadership & Organization Development Journal*, 43(5), 720-735.
- Wu, W. Y., Bui, T. A., & Dao, T. C. (2022). The influence of cross-cultural stable and dynamic competencies on expatriate adaptation and outcomes: the case of Taiwan. *Asia-Pacific Journal of Business Administration*, 14(4), 747-770.
- Yi, C. S., Radam, A., Hassan, A., & Shamsudin, M. N. (2018). Determinants of Entry into Malaysian Palm Oil Refinery Industry. *Jurnal Ekonomi Malaysia*, 52(2), 209-217.